

N.J. Gov. Christie Makes a Huge Gamble on a Gaming Overhaul

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New Jersey Gov. Chris Christie (R) won election last year by promising to shake up the state's bloated, often-corrupt political establishment, and the former U.S. attorney is keeping his word.

According to [media reports](#), Christie is planning to announce sweeping plans to overhaul Atlantic City's beleaguered casino district, privatize or close the Meadowlands Racetrack and refinance the controversial Xanadu development, a massive retail and entertainment project the [Newark Star-Ledger](#) says has already cost \$2 billion and will need an additional \$800 million to open.



Donald Kravitz/Getty Images

The proposals, outlined in a report from a commission established by Christie, would be the most thorough changes to New Jersey's gaming industry since casino gambling was legalized there in the 1970s, but the plans will require the approval of the Democratic-controlled state legislature.

John Weingarten, associate director of the Eagleton Institute of Politics at Rutgers University, says the strategy recognizes that the way that the casinos operate in Atlantic City isn't working. Former Gov. Brendan Byrne (R), who was instrumental in bringing casinos to Atlantic City, has said since leaving office that he regretted not setting up a state agency to run Atlantic City because it would have brought more economic benefits to New Jersey.

"It's symbolically important," says Weingarten. "If the casinos were to fail, that would be a serious problem for the state's image."

A GOP Power Grab Against a Democratically Controlled City?

New Jersey is the third-most indebted state, with [a projected deficit next year of \\$10.5 billion](#), which has made it difficult for the governor to fix the Garden State's finances without raising taxes. And the gaming industry's moribund condition isn't making the situation easier. Atlantic City's casinos are getting pummeled by competitors in neighboring Pennsylvania, which recently added table games, further sucking away Atlantic City's traffic. Revenue from the city's 11 casinos fell last year to \$3.9 billion, [a 24% drop from the \\$5.2 billion collected in 2006](#).

The double-digit declines have continued this year, which explains why the governor wants to create a "city within a city" in Atlantic City, taking control of everything from trash pickups to police protection. As expected, [Atlantic City officials are irate](#), as are some Democrats in the legislature, who repeatedly have butted heads with Christie on fiscal issues.

"The devil's in the details as to what's involved with the state taking over," says State Sen. James Whalen (D), a former Atlantic City mayor, in an interview with the *Star-Ledger*. Atlantic City Councilman Moisse Delgado was quoted by the newspaper as calling it a power grab by the Republican governor against the Democratically controlled city. Mayor Lorenzo Langford had no immediate comment.

Atlantic City's Seedy Reputation

Christie, though, has proved to be a more deft politician than his critics imagined when he took office six months ago, and reforming Atlantic City may be a winning issue. The municipality is notorious for political shenanigans, with five mayors having faced corruption charges in recent years.

In 2008, former City Council President Craig Calloway was found guilty of secretly videotaping an encounter between a former ally on the council, Eugene Robinson, and a prostitute. Calloway had already pleaded guilty to an unrelated bribery charge. A year earlier, Mayor Robert Levy pleaded guilty to illegally collecting veteran's benefits. Atlantic City's reputation for seediness continues to

this day.

"According to the report [commissioned by Christie], developers, businesses and casino companies are now wary of investing there, while visitors are reluctant to come because of a perception that it is not safe," according to the *Star-Ledger*, which added that the committee recommended that officials boost Atlantic City's draw as a "family resort" by adding family amusement rides on the Boardwalk and perhaps a NASCAR racetrack.

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